

Message Text

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INFO OCT-01 NEA-10 ISO-00 EB-07 /018 R

DRAFTED BY COM/BIC/CAGNE/JPORLANDO
APPROVED BY EB/OCA/CM/LKLIEFORTH

COM/BIC/CAGNE/PBHALE
NEA/ARN:MHMAUGHAN

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R 151543Z MAY 76
FM SECSTATE WASHDC
TO AMEMBASSY ABU DHABI
USINT BAGHDAD
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
INFO AMCONSUL DHAHRAN

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E.O. 11652: N/A

TAGS: BEXP, XF

SUBJECT: OPPORTUNITIES FOR INSTITUTIONAL FOOD BUSINESSES:
SCHOOL LUNCH PROGRAMS

REF: (A) 75 USDOC 5250; (B) 75 JIDDA 2617; (C) 75 STATE
20720; (D) 75 JIDDA 6674

1. OVER PAST YEAR CAGNE HAS RECEIVED AT LEAST THREE
INQUIRIES REGARDING SCHOOL LUNCH PROGRAMS FROM EQUIPMENT
MANUFACTURERS AND SERVICE CONTRACTORS. THE MOST RECENT
INSTANCE (PARA 2) INDICATES THAT CONSIDERABLE OPPORTUNITY
EXISTED IN SAUDI ARABIA. CAGNE FEELS THAT THIS MAY BE A
WORTHWHILE AREA FOR INVOLVEMENT OF U.S. BUSINESS AND
WELCOMES COMMENTS FROM ADDRESSEES.

2. ANTHONY M. MIDIS, MORTON FROZEN FOODS DIVISION, ITT
CONTINENTAL BAKING COMPANY, CHARLOTTESVILLE,
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VIRGINIA HAS REQUESTED ADDITIONAL INFORMATION ON THE

CONTRACT AWARDED BY SAUDI MINISTRY OF COMMERCE TO NESTLE OF SWITZERLAND AND WAGON LITS OF FRANCE. CAGNE INFORMED THAT NESTLE AND WAGON LITS HAVE FORMED JOINT VENTURE WITH SIXTY PERCENT OF CAPITAL HELD BY SAG. LUNCH PROGRAM IS TO INCLUDE MANUFACTURE OF FOOD AND WILL BE APPLIED INITIALLY IN 1977 IN RIYADH SERVING 100,000 PUPILS, LATER EXPANDING

IN SIZE TO 600,000 PUPILS. MORTON FROZEN FOOD DIVISTON TS LEADING U.S. FIRM IN THIS AREA ACCORDING TO MIDIS AND SEEKS DETAILS FOR POSSIBLE PENETRATION AREA MARKETS.

3. JIDDA ACTION: REFTELS REPORTED ON PROSPECTS IN THIS FIELD DURING 1975. IN LIGHT OF ABOVE REQUEST REVIEW OF SITUATION. POINTS YOU MAY WISH TO COVER ARE: HAS NESTLE/WAGON LITS CORNERED MARKET OR IS THERE ROOM FOR COMPETITION? CAN EMBASSY RECOMMEND PROPER MINISTRIES AND SAG REPRESENTATIVES FOR MIDIS TO APPROACH WITH PROPOSALS? CAN EMBASSY FURTHER IDENTIFY SAUDI PRIVATE FIRMS MENTIONED REFTEL (D)? ARE THERE OTHERS IN THIS FIELD?

4. ACTION FOR ALL POSTS: SINCE SCHOOL LUNCH PROGRAM OF MAGNITUDE CITED PARA 2 REPRESENTS 18 MILLION DOLLARS PER YEAR (100,000 PUPILS/180 SCHOOL DAYS/ESTIMATED 1 DOLLAR PER LUNCH) IN SALES ALONE REQUEST INFORMATION ON POSSIBILITIES IN SCHOOL LUNCH AREA. IF POTENTIAL INDICATED COMMERCE WOULD FIND USEFUL INFORMATION COVERING THE FOLLOWING POINTS.

- (A) ARE SCHOOL LUNCH PROGRAMS CURRENTLY IN OPERATION?
- (B) IF SO, ARE THEY SUFFICIENT TO MEET REQUIREMENTS?
 - ANY PLANS TO EXPAND?
- (C) IF NOT, ARE ANY PLANNED? SIZE?
- (D) WHICH MINISTRY OR OFFICIAL IS RESPONSIBLE FOR EXISTING
 - PROGRAM OR WHO WOULD PLAN SUCH A PROGRAM?
- (E) DO ANY PRIVATE FIRMS OPERATE IN INSTITUTIONAL FOOD
 - BUSINESS? WHO?
- (F) COMMENTS AND RECOMMENDATIONS. KISSINGER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 15 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE120257
Document Source: CORE
Document Unique ID: 00
Drafter: BIC/CAGNE/JPORLANDO
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760189-0808
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760549/aaaabpwd.tel
Line Count: 97
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 JIDDA 2617
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUN 2004 by ElyME>; APPROVED <12 OCT 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OPPORTUNITIES FOR INSTITUTIONAL FOOD BUSINESSES: SCHOOL LUNCH PROGRAMS
TAGS: BEXP, XF
To: ABU DHABI MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006